



Illinois Association of Community Care Program Homecare Providers

Testimony – December 14, 2010 Senate Special Committee on Medicaid Reform

The Illinois Association of Community Care Program Homecare Providers (IACCPHP) represents over 48 provider agencies who are contracted with the Illinois Department on Aging (IDoA) to provide homecare services through the state's Community Care Program (CCP). The CCP is both a Medicaid Waiver and state entitlement program (approximately 65% of CCP clients have a Medicaid identification number) and is appropriated at \$516 million for SFY2011.

The IDoA's CCP is one of the most significant human service programs in the State of Illinois, as it provides home and community based services which prevent or delay costly nursing home facility care, to approximately 64,000 of Illinois' most frail elder citizens. The CCP is also a notable component of Illinois' economy, given that CCP contracted homecare agencies employ over 30,000 individuals who perform both administrative and direct care duties.

CCP home and community services are a proven cost-effective alternative to facility-based care. To illustrate, during SFY 2010, CCP services and comprehensive care coordination cost approximately \$820 per month per client. In contrast, the state's average cost for nursing home care was approximately \$3,000 per month. Home and community services address necessary long-term care needs at a rate of three seniors for every one senior in facility care.

A recent analysis of Illinois' long-term care services structure, conducted by HCBS Strategies Inc., a Baltimore-based consulting firm that specializes in Medicaid home and community based services, concluded that providing homecare services to at-risk seniors reduces overall nursing home use, and helps "control Illinois' overall long-term care spending." More specifically, the analysis suggested that as a result of the CCP, and Supported Living services, in 2008 Illinois saved \$674 million (gross), or \$260 million less Medicaid FFP.

In the context of Medicaid reform, it is essential for Illinois to embark upon a forward thinking strategy that maximizes cost-effective services for long-term care needs through the following:

- Awareness of and access to home and community services (e.g., public education; enhanced nursing home prescreening);
- Consideration and funding for case management activity that enhances the coordination and communication between homecare, health care and other social services to maximize early



detection and intervention to address healthcare and other needs at lower costs (e.g. monitor intended short-term stays in nursing facility and rehabilitation facilities);

- Continued process changes at the IDoA and DHFS to enhance current level of federal match on CCP Medicaid expenditures (expedite Medicaid application processes; develop systems that capture clients' monthly Medicaid spend-down amounts; utilize CCP spending to meet spend-down requirements);
- At a minimum, maintain current CCP service levels which allows for the state's decline in Medicaid funded nursing facility residents;
- Maintain financial eligibility standards to provide a safety net to those seniors who exceed Medicaid standards by slim margins;
- Establish the Long Term Care Rebalancing Fund as recommended by AARP;
- Analyze and appropriate long-term care funds in the context of the entire long-term care network, rather than by state agency budgeted line items; and
- Leverage federal government assistance offered through the Affordable Care Act.

Thank you for the opportunity to provide testimony and your thoughtful consideration of our recommendations.

Sincerely,

A handwritten signature in cursive script that reads 'Kimberley Cox'.

Kimberley Cox, IACCPHP Board of Director and Legislative Chair

If you have additional questions, please contact Robert Thieman, CAE, IACCPHP Executive Director at rthieman@idoahomecare.org, phone number (217) 529-6503.



Independent Analysis Shows Homecare for the Elderly: Reduces Nursing Home Use & Saves State Money

While the number of older people in the state of Illinois has risen 54% since 1980, the actual number of elderly in nursing homes is down over 8%.

A recent analysis conducted by HCBS Strategies, Inc., commissioned by the Illinois Department on Aging (IDoA) concluded that the Community Care Program (CCP) has helped to reduce the number of seniors living in nursing homes in the state, creating significant health care savings for Illinois. The CCP provides basic homecare (bathing, meal preparation, personal care) for the frail elderly.

HCBS Strategies, Inc., a Baltimore-based consulting firm, assists states, counties, and private sector organizations in designing and implementing cost effective, inclusive home and community-based support delivery systems that serve the elderly and individuals with disabilities and long term illnesses.

The HCBS Strategies study supports that offering home and community-based health services to at risk seniors reduces overall nursing home use and saves taxpayer dollars. Between 1980 and 2008, the number of CCP participants increased by over 66,000, reducing nursing home residency. In 2008, as a result of IDoA investment in CCP services, the State saved \$260 million in senior related health care costs. Assuming hospitalization rates declined similarly, the savings to the public would be even greater.

| | 1980 | 2008 | % Change |
|------------------------------------------------|---------|---------|----------|
| Medicaid Nursing Home Residents | 79,111 | 72,647 | -8% |
| Nursing Home use rate of 75+ population | 15.8% | 9.4% | -40% |
| Illinois Population over age 75 | 500,402 | 771,105 | 54% |

| | |
|-------------------------------------------------------------------------|-----------------|
| 2008 Medicaid Nursing Home Residents | 72,647 |
| Reduction in potential Nursing Home Residents¹ | 49,261 |
| 2008 HCBS Program Participants | 72,583 |
| 2008 Federal & State funds saved by reduced Nursing Home use | \$1.078 Billion |
| 2008 State Dollars Saved from Reduction in Nursing Home use | \$539 Million |
| 2008 State Dollars Saved after Deducting HCBS Costs | \$260 Million |

1. Total potential Nursing Home residents is the number of older persons projected to enter a nursing home based on the rate at which older persons entered a nursing home in 1980, before HCBS were available.

For more information regarding the Community Care Program (CCP) or the HCBS Strategies, Inc. analysis please contact, Robert Thieman, Executive Director of IACCPHP.